
OLR Bill Analysis

sSB 383

AN ACT ESTABLISHING A MUNICIPAL OPTION TO PROVIDE AN ADDITIONAL PROPERTY TAX EXEMPTION FOR ONE HUNDRED PER CENT DISABLED VETERANS.

SUMMARY:

This bill allows municipalities to increase the additional property tax exemption for “100% disabled” veterans with limited income from two times the veteran’s base exemption to three times that exemption.

Currently, up to \$3,000 worth of a 100% disabled veteran’s property is exempt from property tax (“base exemption”). Such veterans whose household income, excluding veteran’s disability payments, is no more than \$18,000, if single, or \$21,000, if married, are eligible for an additional exemption of two times the base exemption (i.e., \$6,000 of property is tax exempt). (If such veterans have more income than the statutory limits, they are eligible for an additional exemption of only one and a half times the base exemption.)

Under the bill, municipalities may provide an additional exemption of three times the base exemption (i.e., \$9,000 of property is tax exempt), instead of twice the base exemption, to eligible veterans.

By law and under the bill, the state reimburses municipalities for the loss of revenue from these base and additional exemptions either fully, or prorated to the amount appropriated for reimbursements associated with these exemptions. The state does not reimburse municipal revenues lost due to the one and a half times additional exemption available to veterans with income over the statutory limits.

The bill requires the Office of Policy and Management (OPM) to adopt regulations that establish the procedures by which (1) municipalities determine a veteran’s eligibility for the new, triple-the-base, exemption; (2) municipalities apply for reimbursement from the

state for revenues lost due to the exemption; and (3) OPM audits and adjusts municipalities' reimbursement applications. Current law requires OPM to adopt similar regulations governing existing exemptions.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2013 and applicable to assessment years on or after October 1, 2013.

BACKGROUND

Eligible Veterans

Any Connecticut resident who served or serves in the U.S. Army, Navy, Marine Corps, Coast Guard, or Air Force and has a disability rating of 100% by the U.S. Department of Veterans Affairs is eligible for certain property tax exemptions.

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable Substitute Change of Reference
Yea 14 Nay 0 (03/12/2013)

Planning and Development Committee

Joint Favorable Substitute
Yea 19 Nay 0 (04/01/2013)